



The Deputy Secretary of Energy
Washington, DC 20585

September 19, 2001

**MEMORANDUM FOR UNDER SECRETARY FOR ENERGY, SCIENCE,
AND ENVIRONMENT
UNDER SECRETARY FOR NUCLEAR SECURITY
HEADS OF HEADQUARTERS ELEMENTS**

FROM: FRANCIS S. BLAKE 
SUBJECT: Project Management

As the Chief Operating Officer and Secretarial Acquisition Executive for the Department, I will actively engage in project management. I intend to work closely with you to improve the management of our projects and ensure that we deliver projects on schedule, within budget, and with the full scope that we proposed to Congress. I am committed to bringing projects on line that are fully capable of meeting mission performance and environmental, safety, and health standards.

A vital element to meeting my commitment is having available current and accurate information on the status of our acquisition projects. To this end, I am directing the Director, Office of Management, Budget, and Evaluation (OMBE), to provide to me a monthly report on our projects. I expect to use reports from the Project Assessment and Reporting System (PARS) to review major systems projects beginning September 30, 2001, and all "other" programs and projects as identified by OMBE by December 31, 2001.

Accordingly, your organization must provide and update monthly project data through PARS. You should include timely notification of any upcoming proposed change in the performance baseline scope, schedule, or cost as a minimum through your PARS input but also by telephone, e-mail, or memo if the situation is acute or is sensitive for any reason. You are expected to manage problems as they arise, but problems beyond your control should be brought to my attention as soon as they become apparent. I also direct OMBE to inform me of any projects that do not have current data.

I will review and approve or disapprove proposed Level 0 changes to performance baselines that would increase cost or decrease performance or scope to maintain cost since either of these would entail a breach of our commitment to the Congress. This would include any such "approvals" rendered below the Deputy Secretary's level since the issuance of DOE Order 413.3. I also direct OMBE to provide an independent assessment in such cases and report to me the results of that review. Each project must have a proposed performance baseline change

approved before the Department submits a revised Project Data Sheet with the budget or before the Department initiates a reprogramming to support such a proposed performance baseline change.

I intend to continue the direction contained in DOE Order 413.3. The responsibilities contained in the Order require that you know what is going on with your projects and that you assist your program managers and project managers in resolving issues and problems. The quarterly performance reviews, monthly status updates utilizing the Earned Value Management System as a metric, and periodic independent reviews are all sources for project information that allow us the opportunity to intercede before projects get off track.

I have asked the Director, OMBE, to provide you with amplifying information related to your input and update of the project information in the PARS database.

I recognize that project management is a complex challenge; however, I am confident that we can elevate the quality of our management of projects and their outcomes to new levels. I look forward to your fall support as we improve our processes and raise our standards to meet the expectations of the Secretary.

If you have questions regarding this memorandum, please address them to Dr. Bruce M. Carnes at (202) 586-4171.